

# Dan C. Stevenson

State Representative • District 11



Summer, 2000

Dear Friend,

Many of you have written or called requesting a summary of new laws impacting senior citizens and their families.

This mailing reviews several programs and tax deductions, as well as state laws which affect senior citizens. These programs contribute positively to the quality of life of Indiana seniors.

Please write my office or call 1-800-382-9842 if you have any questions or

comments regarding this mailing or any other state government matter.

Sincerely,

## Legislation benefits seniors

**Personal Needs Allowance --** The General Assembly increased the monthly personal needs allowance from \$35 to \$50. The personal needs allowance covers individuals who enter medical treatment facilities in which more than half their bills are paid by either Medicaid or their private insurance.

**Nursing Homes --** New legislation addresses concerns regarding the staffing of nursing homes. Under the law, the patient or a person designated by the patient may request information that lists the names of all nursing personnel on each shift and the supervisor for that shift.

A notice to inform people about the new law will be posted in a conspicuous place in all Medicaid certified facilities. Having this information will hopefully result in more accountability by the nursing homes and enable the patients and their families to make more informed decisions.

## *Increasing CHOICE coverage*

Indiana provides CHOICE in-home services like health care, home cleaning, nutrition, and transportation to permit people who are elderly or disabled to remain in their home instead of being forced into a nursing home.

CHOICE services are provided free to persons with incomes under 150% of the federal poverty level and on a sliding scale for those persons with incomes up to 350% of the federal poverty level.

The CHOICE program is a cost-efficient program for the state. The average cost per month for services is about \$600, while the same cost to the state under Medicaid for intermediate nursing home care is over \$2,300.

In the two-year state budget passed in 1993, the CHOICE program received \$21.3 million per year. In the most recent biennial state budget, \$42.6 million was appropriated for CHOICE services each year.

# Tax cuts for senior citizens

**Income tax deduction** -- The *income tax deduction* for most seniors was increased from \$1,000 to \$1,500. Each qualified taxpayer may take this deduction — meaning married senior couples may now deduct \$3,000 from their adjusted gross income.

**Property tax deduction** -- Many seniors also received an increase in the *property tax deduction* from \$1,000 to \$2,000.

The basic eligibility qualifications have been expanded to include senior citizens with a maximum adjusted gross income of \$25,000 and who own property with a maximum assessed valuation of less than \$23,000. However, there are some limitations to the \$2,000 deduction, including the following:

- Everyone who lives on the property must be 65 or older. The deduction is reduced if everyone is not 65.
- Individuals who share ownership must reside on the property. However, living in a nursing home or hospital will not prevent a person from receiving this deduction.
- You may not receive any other deductions other than the Mortgage Deduction and the Standard Deduction.

**Long-term health care insurance** -- The legislature also established a new state income tax deduction for the amount of long-term health care insurance premiums.

## *\$20 million for prescription drugs*

Senior citizens on lower incomes should not have to choose between buying food or the prescription drugs they need to remain healthy. Thanks to the legislation allocating money from the national tobacco settlement, they won't have to make that decision.

The final bill includes \$20 million to help senior citizens on lower incomes purchase prescription drugs. From my visits around the district, this is one of the most pressing concerns among older Hoosiers.

Since health care was one of the priorities for spending tobacco settlement funds, I believe it was important to help seniors get the drugs they need to avoid their illnesses.

**Rep. Dan C. Stevenson**  
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